

SENATE BILL 807

By Overbey

AN ACT to amend Tennessee Code Annotated, Section 8-34-605, relative to retirement credit for certain military service.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-34-605, is amended by deleting subsection (c) in its entirety and by substituting instead the following language:

(c)

(1) Any member or retired member who performed peacetime military service in the armed forces of the United States shall be entitled to establish retirement credit for such military service on the basis of one (1) day of creditable service for each two (2) days of military service rendered. Any such member shall pay employee contributions for the service claimed based on a contribution rate of nine percent (9%). Such rate shall be applied to the member's earnable compensation at the time of the claim or, if not in service at the time of the claim, the member's earnable compensation at termination of employment.

(2) Any member or retired member who establishes peacetime military service under subdivision (c)(1) shall be entitled to establish an additional six (6) months of retirement credit for any peacetime military service rendered in the armed forces of the United States for which the member or retired member did not receive retirement credit under subdivision (c)(1). Any such member shall pay employee contributions for the service claimed based upon a contribution rate of twelve percent (12%). Such rate shall be applied to the member's

earnable compensation at the time of the claim or, if not in service at the time of the claim, the member's earnable compensation at termination of employment.

(3) For the purposes of this subsection, "peacetime military service" means any military service by a member or retired member in the armed forces of the United States not otherwise creditable pursuant to subsections (a) or (b) and subject to the following conditions:

(A) The member was honorably discharged from such military service;

(B) The member cannot establish the military service in any other retirement system; and

(C) The military service credit cannot be used in determining any rights under the retirement system prior to the member becoming vested.

SECTION 2. This act shall take effect July 1, 2009, the public welfare requiring it.